

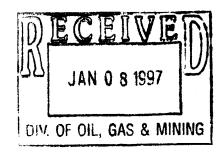
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January 3, 1997

Jim Carter Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 P.O. Box 145801 Salt Lake City, Utah 84114-5801



Mr. Carter,

Re: Division Order, May 20, 1991, Bear Canyon Mine, ACT/015/025, Emery County, Utah

I am sending you this letter as a follow-up to the meeting held between Charles Reynolds and Lowell Braxton on December 6, 1996 regarding the above referenced Division Order issued by Dianne Nielson in May, 1991 and included as an attachment to the November, 1995 permit renewal...

Co-Op Mining Company has complied with all of the requirements and stipulations of the Division Order and wish to have the Order closed

In addition, Co-Op is concerned with paragraph 25 of the Order. This paragraph stipulates that . . . . "any future proposal to mine beyond the existing permit area or in coal seams above and below the current workings will be treated as a request for permit revision, with the opportunity for public comment." We feel that this stipulation does not allow for incidental boundary changes, which are allowed by the regulations, and therefore this stipulation is more stringent than the regulations. Co-Op requests that this paragraph be modified to be no more stringent than the regulations require.

If you have any questions, please call Charles Reynolds or myself at (801) 687-2450.

Thank You,

Wendell Owen, Resident Agent

Maryanne Wright cc: Charles Reynolds